GUIDESTREAM DONOR ADVISED FUNDS

Program Description

PURPOSE

GuideStream Charitable Gift Fund, doing business as GuideStream Donor Advised Funds (GSDAF), is organized under the following sections describing policies, rules, and regulations. GSDAF's primary activity is assisting United States organizations which are recognized by the IRS as Internal Revenue Code (IRC) Section 501(c)(3) organizations ("qualified organizations") by accepting contributions from individuals, corporations, estates, trusts, and other donors. As such, contributions to GSDAF offer immediate and significant tax benefits.

Amounts contributed to GSDAF will be held in separate accounts known as Donor Advised Funds, Specific Purpose Funds, or Endowment Funds. In addition, gifts to GSDAF may pass-through, meaning that substantially all assets are distributed to a qualified organization(s) soon after contribution.

- **Donor Advised Funds** are accounts for which the donor, or the donor's named representative or successor, retains strictly advisory privileges with respect to management of funds in the account and distribution to various qualified organizations. Donor Advised Funds are an option for donors who do not wish to create a private foundation and may not currently want to select the charities that will receive the funds, but instead want to select and distribute the funds over time. The donor gives complete control over the donated funds to GSDAF, but may make non-binding recommendations as to investment of the funds and distributions.

- **Specific Purpose Funds** are designed to give the donor strictly advisory privileges for distributions to benefit specific qualified organization(s) or specific cause(s).

- **Endowment Funds** accept contributions for the benefit of specific qualified organization(s). Such endowment funds will normally pay out a given percentage of income and/or principal to the designated qualified organization(s). GSDAF intends to abide by a donor's endowment distribution request but may modify those restrictions if necessary to remain consistent with Michigan's Uniform Prudent Management of Institutional Funds Act (MCL Section 451.921, et seq.), or any successor act.

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CREATING AND NAMING THE FUND

Funds can be opened for US-based persons and entities. When a donor or organization wishes to create a GSDAF account, an application form must be completed. The form will entitle the donor to create a name for the account and will specify which type of account is being created. Most donors name their account after themselves or family members, for example: *The John and Jennifer Smith Family Fund*, or *The Jones Family Charitable Foundation*. Others name their account for a purpose, such as *The Helping Hand Fund*, or as otherwise agreed upon between the donor and GSDAF.

ACCOUNT MINIMUMS AND MAINTENANCE

Donor Advised Funds may be created with an initial gift of $5,000 or more. If the balance falls below $1,000, the donor may be asked to arrange a contribution to restore the balance to $5,000, or more, or recommend a liquidating grant to close the account. Exceptions may be made for testamentary gifts designated to a particular account.

Specific Purpose Funds need to have an initial deposit of $30,000 or more. If the balance falls below $5,000 for more than a year, the donor may be asked to contribute funds to restore the balance to $30,000 or recommend a final distribution to close the account.

Endowment Funds must have an initial deposit of $50,000 or more. When an endowment is established, a declaration will be drafted to state the ministry (or ministries) that will benefit. The declaration will also give meaningful information about the original donors, or those they wish to honor or memorialize. Historically, endowments have paid 3-5% of the average fair market value of the endowment account annually. That value is determined by a three-year rolling average of the November 30th fair market value. This payout percentage is reviewed annually. Any undistributed income earned by the endowment is added permanently to the fund principal for growth.

GENERAL CONTRIBUTION INFORMATION

GuideStream Donor Advised Funds will review each proposed donation before accepting it and will notify prospective donors promptly of the acceptance or rejection of each proposed contribution. All donations accepted by GSDAF will be an irrevocable gift. Acceptable asset types to donate include:

- Cash
- Real Estate
- Marketable Securities (stocks, bonds, mutual funds)
- Life Insurance Policies
- Cryptocurrencies (via REN or Freewill)
- Other Permissible Assets

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GENERAL CONTRIBUTION INFORMATION *(continued)*

In accordance with IRS regulations, donors are required to obtain an independent qualified appraisal of contributed assets other than cash or marketable securities. Before accepting a contribution, GSDAF will review each asset and may ask for additional information. Assets that carry an unusual potential liability may be rejected. Any donor who has questions about the acceptability of an intended contribution should contact GSDAF prior to arranging for a transfer of the assets. At least annually, GSDAF will issue a statement of receipt containing all the information necessary to document contributions for tax purposes. Additional contributions to the account may be made at any time; the recommended minimum value of an additional contribution is $1,500 for donor advised funds.

GSDAF will supply a contemporaneous email acknowledgment or receipt to the donor for all gifts accepted and received. These receipts should be retained with the donor's tax records. Each donor is responsible for determining the value for tax purposes of the donations they make to GSDAF. The value of publicly traded securities given to GSDAF (which may be shown on the account's statements) are estimates only and donors cannot rely on them. Individual donors are responsible for filing Form 8283 with their income tax returns for gifts of non-cash property.

CONTRIBUTIONS THROUGH ESTATE PLANNING DOCUMENTS

Donors may make outright gifts and estate planning bequests to GSDAF; they may also name their fund as the charitable beneficiary of a banking, trust, annuity, or other investment account. If one of these types of beneficiary accounts is utilized, upon the death of the account holder(s) or termination of the bank, trust, annuity, or other investment account, the remainder will pass to GSDAF according to the account documentation. GSDAF is happy to help you name your fund as the charitable beneficiary of a charitable trust, IRA, or other estate planning document.

STATEMENT OF FUND PURPOSE

In order to communicate expectations and goals to named representatives or future successor grant advisors (if applicable), donors are encouraged to provide a Statement of Purpose for their account. For example: *It is our intention that the John and Jennifer Smith Fund be used to support various ministries or charities in Cedar Grove, New Jersey*. GSDAF will not treat a Statement of Purpose as a restriction on the account.

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ACCOUNT DONOR / GRANT ADVISOR

Each account will have at least one person named as *original donor*; for married couples, both spouses are typically identified. In situations where the original donor employs an advisory committee, an *authorized signer* should be identified on the initial account application. The original donor, or the named representative or successor, is entitled to advise GSDAF concerning certain aspects of the account. These areas include:

- Submitting Grant Recommendations
- Estate Plan Funding
- Naming an Additional Successor (or selecting another disposition plan)

GRANT RECOMMENDATIONS - GENERAL INFORMATION

After an account is established, the donor / grant advisor may begin submitting grant recommendations to approved charitable organizations. Please see *Grant Recommendations - Due Diligence and Compliance regarding Charitable Organizations* for detailed regulations. The Grant Recommendation Form is available through your donor portal (if applicable) and GSDAF's website at www.guidestreamdaf.org. The minimum grant amount is $250.

GRANT RECOMMENDATIONS - DUE DILIGENCE AND COMPLIANCE REGARDING CHARITABLE ORGANIZATIONS

In reviewing qualified organizations to receive distributions, GSDAF will rely primarily on GuideStar, Charity Navigator, and/or IRS Publication 78, but will also conduct other due diligence to verify the nature and tax-exempt status of the organization. Other due diligence may include contacting the organization, requesting and reviewing the organization's IRS tax-exempt letter, or reviewing the organization's website or other public information. To ensure all distributions to qualified organizations are used exclusively for charitable purposes, GSDAF will conduct further investigation whenever it has reason to believe grant funds may have been used for the private benefit of donors or others. Appropriate legal action may be taken if it is determined grant funds have been used for improper purposes.

GRANT RECOMMENDATIONS - DISTRIBUTION GUIDELINES

- Grants may be made to U.S. charitable organizations that are tax-exempt public charities, religious charities, or U.S., state, or local government entities (e.g., state universities, public school systems, etc.) for charitable purposes. Non-operating private foundations are not eligible to receive grants.

GRANT RECOMMENDATIONS - DISTRIBUTION GUIDELINES *(continued)*

- Generally, charitable grants to foreign organizations are not made.
- Grants should be made for use exclusively in furtherance of charitable purposes within Christian principles.
- Grants that would confer an impermissible private benefit on a donor, donor advisor, a member of the donor or donor advisor's family or controlled entity or specific person will be rejected.
- Grants may not be paid to individuals from donor advised funds.
- Grants may not be used for lobbying, political contributions, or to support political campaign activities.
- Grants may not be used for a binding, pre-existing pledge. Under IRS rules, a pledge is considered a personal obligation of the maker, and to use a donor advised fund grant to satisfy such an obligation, would be considered an impermissible private benefit. Other impermissible private benefits include:
    - Grants for school tuition or scholarships sent directly to individuals
    - Certain dues or membership fees
    - Goods bought at charitable auctions
    - Tickets for charitable events that entitle the attendees to any material benefit
    - Any other non-charitable purpose

A donor / grant advisor may suggest the donation be used by GSDAF for a specific charitable or religious purpose or field of interest rather than recommending a particular recipient charitable organization. GSDAF will only use donations for charitable or religious purposes as authorized by federal law, specifically such purposes as defined by IRC Section 170(c)(2)(b). GSDAF will exercise expenditure responsibility as described in IRC Section 4945(h) with respect to any such distributions. Any distribution from a specific purpose fund must be for the fulfillment of the charitable purpose of such fund which may, in rare cases, be payment for approved expenses initiated by the fund.

Any distributions made by GSDAF to organizations defined in IRC Section 509(a)(3) organizations will only be made to organizations defined in such section that are Type I, Type II, or functionally integrated Type III supporting organizations, as defined by the IRC and IRS Regulations, and where the donor who has advisory rights, does not directly or indirectly control the recipient supported organization.

GRANT RECOMMENDATIONS - SUBMISSIONS

Donors / grand advisors may submit grant recommendations at any time. Grants are processed on an ongoing basis. You may choose to delay recommending grants for a period, intending to allow the account balance to grow.

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GRANT RECOMMENDATIONS - DISTRIBUTION PROCEDURE

GuideStream Donor Advised Funds reviews each Grant Recommendation Form and recipient. Upon approving a recommendation, GSDAF liquidates account investments and issues funds to the charitable organization along with donor information and any specific designations. Grants may be sent anonymously by request. If there is a problem approving a particular Grant Recommendation, the donor/grant advisor will be contacted to discuss the matter.

Each account must eventually make grants. If, after an account has been open for three years, GSDAF has not received an acceptable distribution recommendation from a donor or his/her representative, the account may be terminated and the funds transferred to GSDAF's general fund to be used for distributions to qualified organizations, or for other charitable purposes, at the discretion of GSDAF's Board of Directors.

GSDAF expects its distributions to qualified organizations to exceed 5% (annually) of its average net assets on a fiscal five-year rolling basis. If that level of grant activity is not attained, GSDAF will identify the named funds from which grants over the same five-year period totaled less than 5% of each account's average assets. GSDAF will then contact the donors/authorized representatives of those funds to request they make grant recommendations to bring the total distributed up to the 5% threshold. If a donor/authorized representative does not provide accepted grant recommendations within 60 days of such a request, GSDAF may transfer up to 5% of assets from an account to its general fund for discretionary grant making to qualified organizations or for other charitable or religious purposes.

SUCCESSION / FUND DISPOSITION PLAN

GSDAF recommends creating a succession, or disposition, plan for the account. The death of the original donor, or another event, if so specified, triggers the enactment of the account's disposition plan. Donors may choose a disposition plan that allows the account to continue, either by naming a successor advisor of the account or naming charitable organizations to receive periodic distributions from the account.

Another option is to terminate the account and name one or more charitable organizations that will receive the final distribution(s). While it is possible to submit a more customized disposition plan, donors should discuss complicated disposition plans with GSDAF to avoid confusion or potential problems.

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STATEMENTS

Each account will have a statement generated which includes information regarding investment balance, charitable contributions, charitable distributions, and account expenses. Statements will be issued at least annually.

INVESTMENTS

GuideStream Donor Advised Funds invests according to the Prudent Investor Rule to provide a long-term total rate of return that maintains and even enhances each account's grant-making power. The donor may advise GSDAF of a distribution plan or investment strategy that will assist in investing the assets to maximize fund performance. GSDAF will track each account's income, expenses, gains, and losses. Assets will not be commingled between accounts. Professional management fees, transaction expenses, etc. will be charged directly to the relevant account at the prevailing rate based on the account balance, which are available upon request.

TIERED FEE SCHEDULE

- 1.15% First $250,000
- 1.00% Next $250,000
- 0.85% Next $250,000
- 0.70% Next $250,000
- 0.55% Over $1,000,000

** fees charged monthly or quarterly depending on account type; $100 annual minimum*

PASS-THROUGH SECURITY GIFTS (NON-ACCOUNT)

Donors may contribute appreciated securities to GSDAF as a pass-through gift rather than to establish or add to a Donor Advised Fund, Specific Purpose Fund, or Endowment Fund. In such cases, GSDAF liquidates the securities and distributes the net proceeds to the donor's requested qualified charitable organization(s) soon after the contribution. A fee of 1% of the net sale proceeds (after transaction costs, and before the fee is applied), with a minimum fee of $200 per gift, will be deducted prior to distribution. The $200 minimum applies to the gift as a whole and is not multiplied when proceeds are distributed to more than one organization. This fee does not apply to securities contributed to a Donor Advised Fund, Specific Purpose Fund, or Endowment Fund, which are subject to the *Tiered Fee Schedule* above.

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OTHER CONSIDERATIONS

GSDAF will be administered in accordance with the provisions of this Program Description and the terms and conditions of GSDAF's Articles of Incorporation and Bylaws (which may be provided upon request). Each account will be treated as a sub-account of GSDAF.

Although the GSDAF program provides donors with a great deal of latitude in tailoring an account to meet desired giving purposes, it must be understood that accounts will be operated exclusively for charitable giving. Any non-charitable distribution from an account - for example, a grant resulting in the donor or family member receiving more than an incidental benefit - could result in federal tax penalties to the donor and GSDAF.

Unusual expenses (litigation costs, etc.) are attributed to the sub-account responsible and are not counted toward the account fee. Specific charges may be paid from either principal or income of the sub-account at GSDAF's sole discretion.

Contributions, once received and accepted by GSDAF, become the property of GSDAF and cannot be returned to the donor. All recommendations from the donor / grant advisor concerning grants, investments, or administration of any account are advisory only. GSDAF's Board of Directors has the ultimate authority to determine to which qualified organizations and in what amounts distributions will be made. GSDAF's Board of Directors has the right to modify any restriction on any account if it determines such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with charitable need. GSDAF's Administration Committee, on behalf of the Board of Directors, is empowered to accept or reject, in whole or in part, all such gifts and recommendations. The Administration Committee reports on gift activity for final acceptance by the Board of Directors. GSDAF's Board of Directors reserves the right to modify the program in its sole discretion at any time.

TAX MATTERS

Generally, at the time of GSDAF's acceptance of a donor's gift, the donor becomes entitled to a federal income tax and gift tax deduction. Furthermore, upon such acceptance, a federal estate tax deduction is also available for completed bequests to GSDAF.

It should also be understood, as tax deductions occur upon accepted contributions to GSDAF, donors do not obtain a charitable deduction when their account makes a charitable grant. Although the donor's and/or account's name is used in correspondence to the receiving charity, the account is, according to the tax laws, distributing its own property, rather than the donor's, to the charity.

TAX MATTERS *(continued)*

To calculate the actual tax savings occurring from any donor's charitable deduction, a qualified tax expert should be consulted. The portion of any deduction which cannot be used in a year because of that limitation can most often be carried forward and used for up to five years after the year of contribution. *Tax provisions are subject to change according to IRS regulations.*

No income, gains, or other item of income or expense received or incurred by GSDAF or allocated to or incurred by a specific account is attributable to an individual donor since he or she relinquishes ownership of the assets once contributed to the account.

ADDITIONAL LEGAL AND TAX MATTERS

This document is not to be construed as specific legal or tax advice.

Donors are strongly urged to consult their own attorneys, accountants, or tax advisors with respect to questions relating to the deductibility of various types of contributions to GSDAF for federal and state tax purposes, or refer to the IRS website for current deductibility rules.

PARTNERSHIP WITH REN

GSDAF has partnered with REN for donor advised fund administration through an online platform. Some services listed in this program description are provided by REN through this partnership.